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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 HOMESTEAD PROPERTIES, L.P.;
16 HOMESTEAD LIMITED, L.L.C.;
17 CALIFORNIA WEALTH
MANAGEMENT GROUP, d.b.a. IFC
ADVISORY; HEATH M.
BIDDLECOME; and WILLIAM C. TAK

18 Defendants,

19 HOMESTEAD NORTHLAND MHC,
20 LLC and JACKSON MHC, L.L.C.

21 Relief Defendants.
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Case No. SAV09-01331-CJC(MLGx)

**[PROPOSED] FINAL JUDGMENT AS
TO DEFENDANTS HOMESTEAD
PROPERTIES, L.P., HOMESTEAD
LIMITED, L.L.C., AND RELIEF
DEFENDANTS HOMESTEAD
NORTHLAND MHC, LLC, AND
JACKSON MHC, L.L.C.**

1 Plaintiff Securities and Exchange Commission (“Commission”) moved for
2 Summary Judgment pursuant to Fed. R. Civ. P. 56, and Local Rules 56-1 through
3 56-4 against Defendants Homestead Properties, L.P. (“Homestead”), Homestead
4 Limited, L.L.C. (“Limited”), and William C. Tak (“Tak”), together with the Relief
5 Defendants Homestead Northland MHC, L.L.C. (“Northland”) and Jackson MHC,
6 L.L.C. (“Jackson”).

7 The Commission’s Motion came before the Court for hearing on May 9,
8 2011. The Court, having considered the Commission’s Motion, the Memorandum
9 of Points and Authorities, the Declarations including Exhibits relating thereto, the
10 Statement of Uncontroverted Facts and Conclusions of Law, and other documents
11 filed in support of the Motion, all documents filed in opposition to the Motion and
12 all other evidence and argument presented regarding the Motion, finds that:

13 **I.**

14 IT IS HEREBY ORDERED that the Commission’s Motion for Summary
15 Judgment against Defendants Homestead and Limited, as well as Relief
16 Defendants Northland and Jackson is GRANTED.

17 **II.**

18 IT IS HEREBY FURTHER ORDERED that the Commission’s Motion for
19 Summary Judgment against Defendant Tak is DENIED.

20 **III.**

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
22 that Defendants Homestead and Limited and their agents, servants, employees,
23 attorneys, and all persons in active concert or participation with them who receive
24 actual notice of this Final Judgment by personal service or otherwise are
25 permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the
26 Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77e(a) and (c), by, directly
27 or indirectly, in the absence of any applicable exemption:

- 28 (a) Unless a registration statement is in effect as to a security, making use

1 of any means or instruments of transportation or communication in
2 interstate commerce or of the mails to sell such security through the
3 use or medium of any prospectus or otherwise;

4 (b) Unless a registration statement is in effect as to a security, carrying or
5 causing to be carried through the mails or in interstate commerce, by
6 any means or instruments of transportation, any such security for the
7 purpose of sale or for delivery after sale; or

8 (c) Making use of any means or instruments of transportation or
9 communication in interstate commerce or of the mails to offer to sell
10 or offer to buy through the use or medium of any prospectus or
11 otherwise any security, unless a registration statement has been filed
12 with the Commission as to such security, or while the registration
13 statement is the subject of a refusal order or stop order or (prior to the
14 effective date of the registration statement) any public proceeding or
15 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

16 **IV.**

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
18 that Defendant Limited and its agents, servants, employees, attorneys, and all
19 persons in active concert or participation with them who receive actual notice of
20 this Final Judgment by personal service or otherwise are permanently restrained
21 and enjoined from violating Section 17(a) of the Securities Act, 15 U.S.C.
22 § 77q(a), in the offer or sale of any security by the use of any means or instruments
23 of transportation or communication in interstate commerce or by use of the mails,
24 directly or indirectly:

25 (a) to employ any device, scheme, or artifice to defraud;

26 (b) to obtain money or property by means of any untrue statement of a
27 material fact or any omission of a material fact necessary in order to
28 make the statements made, in light of the circumstances under which

1 Limited and Homestead through the date of the entry of this Final Judgment.

2 **VII.**

3 IT IS ORDERED, ADJUDGED AND DECREED that Relief Defendant
4 Northland shall be liable for disgorgement of \$1,270,000.00 plus prejudgment
5 interest of \$5,577.69, totaling \$1,275,577.69, payable to the Court-appointed
6 Receiver, representing proceeds gained as a result of the conduct alleged in the
7 First Amended Complaint. Relief Defendant Northland's payment obligations of
8 \$1,275,577.69 shall be deemed satisfied by the amounts recovered by the Receiver
9 from the seizure of Northland through the date of the entry of this Final Judgment.

10 **VIII.**

11 IT IS ORDERED, ADJUDGED AND DECREED that Relief Defendant
12 Jackson shall be liable for disgorgement of \$850,000.00, plus prejudgment interest
13 of \$3,733.10 totaling \$853,733.10, payable to the Court-appointed Receiver,
14 representing proceeds gained as a result of the conduct alleged in the First
15 Amended Complaint. Relief defendant Jackson's payment obligations of
16 \$853,733.10 shall be deemed satisfied by the amounts recovered by Receiver from
17 the seizure of Jackson through the date of the entry of this Final Judgment.

18 **IX.**

19 IT IS FURTHER ORDERED that Robb Evans & Associates LLC shall
20 continue as Court-appointed permanent Receiver in this case, until further order of
21 this Court. The Receiver shall continue to control Defendants Homestead
22 Properties, L.P. and Homestead Limited, L.L.C., and Relief Defendants Homestead
23 Northland MHC, LLC and Jackson MHC, L.L.C. (the "Receivership Entities").
24 The Receiver is the agent of this Court in acting as Receiver herein. The Receiver
25 is appointed with full powers of an equity receiver, including, but not limited to,
26 full power over all funds, assets, collateral, premises (whether owned, leased,
27 occupied, or otherwise controlled), choses in action, books, records, papers and
28 other property belonging to, being managed by or in the possession of or control of

the Receivership Entities. The Receiver shall continue to have access and control over all monies and assets in all accounts at any bank, financial institution or brokerage firm (including any futures commission merchant), all certificates of deposit, and other funds or assets, held in the name of, for the benefit of, or over which account authority is held for and including the Receivership Entities, but not limited to, the accounts set forth below:

<u>Bank Name</u>	<u>Account Name</u>	<u>Account No.</u>
Wells Fargo Bank, NA	Homestead Properties, L.P.	888-7914102
Wells Fargo Bank, NA	Homestead Properties, L.P.	285-8490341
Wells Fargo Bank, NA	Homestead Properties, L.P.	186-4318785
Wells Fargo Bank, NA	Homestead Properties, L.P.	293-4909595
Wells Fargo Bank, NA	Homestead Northland HMC, LLC	786-6608920
American Funds	Homestead Properties, L.P.	83017486
Charles Schwab	Homestead Properties, L.P.	2424-5834

The Receiver shall continue, until further order of this Court and its ultimate discharge by this Court, to have full powers, rights and obligations as set forth in prior Orders of this Court, including, the Temporary Restraining Order of November 16, 2009 (Dkt. No. 10), the Preliminary Injunction and Other Provisional Relief of December 18, 2009 (Dkt. No. 42), and the Amended Preliminary Injunction and Other Provisional Relief of May 4, 2010 (Dkt. No. 71).

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment and all orders and decrees which have been entered or may be entered herein, and to grant such other relief as the Court may deem necessary and just.

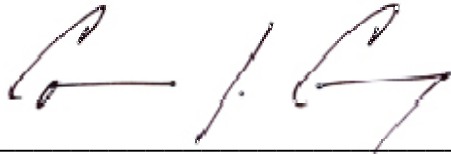
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XI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

DATED: May 17, 2011



The Honorable Cormac J. Carney
UNITED STATES DISTRICT JUDGE

Presented by:

/s/ Ronnie B. Lasky
Ronnie B. Lasky
Attorney for Plaintiff
Securities and Exchange Commission